

# STATE • INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
302 W. WASHINGTON STREET, SUITE E-306  
INDIANAPOLIS, INDIANA 46204-2764

<http://www.state.in.us/iurc/>  
Office: (317) 232-2701  
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PETITION OF INDIANAPOLIS POWER & LIGHT )  
COMPANY, AN INDIANA CORPORATION, FOR (1) )  
APPROVAL OF ITS 2003-2006 FINANCING PROGRAM )  
WHICH INCLUDES THE ISSUANCE OF UP TO )  
\$380,650,000 IN AGGREGATE PRINCIPAL AMOUNT )  
OF (1a), FIXED OR VARIABLE RATE SECURED OR )  
UNSECURED LONG-TERM DEBT IN AN AMOUNT )  
NOT TO EXCEED \$370,650,000 IN AGGREGATE )  
PRINCIPAL, AND (1b) CAPITAL LEASE )  
OBLIGATIONS NOT TO EXCEED \$10,000,000 IN )  
AGGREGATE PRINCIPAL; (2) TO EXECUTE AND )  
DELIVER ONE OR MORE SUPPLEMENTAL )  
INDENTURES TO ITS MORTGAGE AND DEED OF )  
TRUST DATED AS OF MAY 1, 1940 AS )  
SUPPLEMENTED AND AMENDED, FOR THE )  
PURPOSE OF CREATING OR SECURING EACH NEW )  
SERIES OF FIRST MORTGAGE BONDS; (3) TO )  
EXECUTE LETTERS OF CREDIT OR OTHER CREDIT )  
FACILITIES DEEMED APPROPRIATE BY )  
PETITIONER TO PROVIDE LIQUIDITY FOR ITS )  
VARIABLE INTEREST RATE OBLIGATIONS AS )  
PROPOSED TO BE ISSUED HEREIN, THROUGHOUT )  
THE LIFE OF THE UNDERLYING OBLIGATION; (4) )  
TO EXECUTE AND DELIVER PROMISSORY NOTES )  
AND OTHER EVIDENCE OF INDEBTEDNESS )  
RELATING TO ISSUANCE OF LONG-TERM DEBT; (5) )  
TO ENTER INTO INTEREST RATE RISK )  
MANAGEMENT TRANSACTIONS IN CONNECTION )  
WITH ITS VARIABLE RATE OBLIGATIONS AS )  
PROPOSED TO BE ISSUED HEREIN, THROUGHOUT )  
THE LIFE OF THE UNDERLYING OBLIGATION(S); )  
AND (6) AUTHORITY TO APPLY THE NET CASH )  
PROCEEDS FROM THE SALE OF SUCH LONG-TERM )  
DEBT AFTER PAYMENT OF EXPENSES INCURRED )  
IN CONNECTION THEREWITH, TO DISCHARGE, )  
REFUND OR REPLACE CERTAIN SERIES OF ITS )  
FIRST MORTGAGE BONDS OUTSTANDING AND TO )  
REIMBURSE ITS TREASURY, REPAY SHORT TERM )  
BORROWINGS, AND FINANCE ITS CONSTRUCTION )  
PROGRAM.

FILED

MAY 03 2004

INDIANA UTILITY  
REGULATORY COMMISSION

CAUSE NO. 42292

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

On February 12, 2003, the Commission issued an Order in this Cause authorizing Petitioner Indianapolis Power and Light Company to issue certain securities, subject to a dividend reporting and "approval process" condition. On April 16, 2003, the Commission issued a second Order in this Cause ruling on IPL's Petition for Reconsideration. In that second Order, the Commission approved IPL's proposed confidentiality procedures for the information required by the Commission's February 12, 2003 Order.

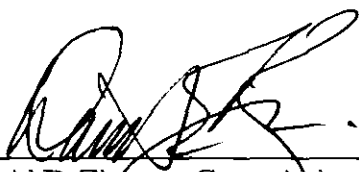
For the calendar year 2003, IPL made confidential filings on the following dates to report its planned issuance of dividends:


March 19, 2003  
April 23, 2003  
May 5, 2003  
June 6, 2003  
September 5, 2003  
November 26, 2003

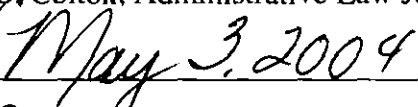
On March 23, 2004, IPL informed the Commission that its parent, IPALCO Enterprises, Inc., filed a Form 10K with the Securities and Exchange Commission on March 15, 2004. IPL therefore stated that as a result of the filing of the Form 10K, the confidential information submitted to the Commission on the dates listed above has been publicly released and confidentiality protection is no longer required.

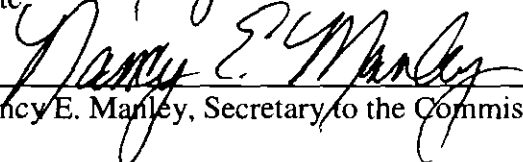
Based on the representation of IPL, the presiding officers now determine that the identified materials should be released from confidentiality and made available to the general public on May 10, 2004.

**IT IS SO ORDERED.**

  
\_\_\_\_\_  
David E. Ziegner, Commissioner

  
\_\_\_\_\_  
Gregory S. Colton, Administrative Law Judge

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Nancy E. Manley, Secretary to the Commission

**INDIANAPOLIS POWER & LIGHT, CAUSE NO. 42292**

**RELEASING CONFIDENTIALITY PROTECTION  
DATED MARCH 23, 2004**

IPALCO Enterprises, Inc. filed its Form 10-K with the Securities and Exchange Commission on March 15, 2004. Thereby releasing confidential information submitted to the Commission in its Dividend Reports filed in Cause 42292 and approved by the Commission on March 23, 2004 the following documents are released from confidentiality:

March 19, 2003

April 23, 2003

May 5, 2003

June 6, 2003

September 5, 2003

November 26, 2003

The March 23, 2004 filing is attached along with the above documents.

COPY

FILED

STATE OF INDIANA

MAR 23 2004

INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY  
REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER & LIGHT  
COMPANY, AN INDIANA CORPORATION, FOR (1)  
APPROVAL OF ITS 2003-2006 FINANCING  
PROGRAM WHICH INCLUDES THE ISSUANCE OF  
UP TO \$380,650,000 IN AGGREGATE PRINCIPAL  
AMOUNT OF (1a), FIXED OR VARIABLE RATE  
SECURED OR UNSECURED LONG-TERM DEBT IN  
AN AMOUNT NOT TO EXCEED \$370,650,000 IN  
AGGREGATE PRINCIPAL, AND (1b) CAPITAL  
LEASE OBLIGATIONS NOT TO EXCEED  
\$10,000,000 IN AGGREGATE PRINCIPAL; (2) TO  
EXECUTE AND DELIVER ONE OR MORE  
SUPPLEMENTAL INDENTURES TO ITS  
MORTGAGE AND DEED OF TRUST DATED AS OF  
MAY 1, 1940 AS SUPPLEMENTED AND AMENDED,  
FOR THE PURPOSE OF CREATING OR SECURING  
EACH NEW SERIES OF FIRST MORTGAGE  
BONDS; (3) TO EXECUTE LETTERS OF CREDIT  
OR OTHER CREDIT FACILITIES DEEMED  
APPROPRIATE BY PETITIONER TO PROVIDE  
LIQUIDITY FOR ITS VARIABLE INTEREST RATE  
OBLIGATIONS AS PROPOSED TO BE ISSUED  
HEREIN, THROUGHOUT THE LIFE OF THE  
UNDERLYING OBLIGATION; (4) TO EXECUTE  
AND DELIVER PROMISSORY NOTES AND OTHER  
EVIDENCE OF INDEBTEDNESS RELATING TO  
ISSUANCE OF LONG-TERM DEBT; (5) TO ENTER  
INTO INTEREST RATE RISK MANAGEMENT  
TRANSACTIONS IN CONNECTION WITH ITS  
VARIABLE RATE OBLIGATIONS AS PROPOSED  
TO BE ISSUED HEREIN, THROUGHOUT THE LIFE  
OF THE UNDERLYING OBLIGATION(S); AND (6)  
AUTHORITY TO APPLY THE NET CASH  
PROCEEDS FROM THE SALE OF SUCH LONG-  
TERM DEBT AFTER PAYMENT OF EXPENSES  
INCURRED IN CONNECTION THEREWITH, TO  
DISCHARGE, REFUND OR REPLACE CERTAIN  
SERIES OF ITS FIRST MORTGAGE BONDS  
OUTSTANDING AND TO REIMBURSE ITS  
TREASURY, REPAY SHORT TERM BORROWINGS,  
AND FINANCE ITS CONSTRUCTION PROGRAM.

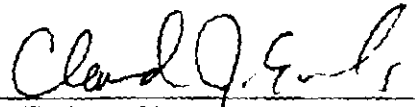
CAUSE NO. 42292

**SUBMISSION OF INDIANAPOLIS POWER & LIGHT COMPANY'S  
CAPITAL EXPENDITURES SUMMARY**

Indianapolis Power & Light Company, by counsel, hereby submits the attached Capital Expenditures Summary for year ending December 31, 2003, in compliance with Ordering Paragraph 5 of the Commission's February 12, 2003 Order in this Cause.

In addition, IPALCO Enterprises, Inc. filed its Form 10-K with the Securities and Exchange Commission on March 15, 2004. Therefore, the confidential information submitted to the Commission in its Dividend Reports filed in this Cause on March 19, 2003; April 23, 2003; May 5, 2003; June 6, 2003; September 5, 2003; and November 26, 2003 has been publicly released and confidentiality protection is no longer required.

Respectfully submitted,



Claudia J. Earls (9489-49)  
BARNES & THORNBURG  
11 South Meridian Street, Suite 1313  
Indianapolis, Indiana 46204  
Telephone: (317) 231-7716

Attorney for Indianapolis Power & Light  
Company

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on March 23, 2004, a copy of the foregoing was served upon the Indiana Office of Utility Consumer Counselor, Indiana Government Center North, 100 N. Senate Avenue, Room N501, Indianapolis, Indiana 46204 via United States First Class Mail, postage prepaid.

A handwritten signature in cursive script, appearing to read 'Claudia J. Earls', is written over a horizontal line.

Claudia J. Earls

**Indianapolis Power & Light Company**  
**Capital Expenditures Summary**  
**For the Year Ended December 31, 2003**

Intangible Plant	\$ 4,707,869
Steam Production Plant	34,136,551
Other Production Plant	201,713
Transmission Plant	3,530,428
Distribution Plant	29,258,454
General Plant	4,480,603
Total Electric Plant in Service	<u>76,315,618</u>
Construction in Progress	87,078,785
Total Additions	<u>163,394,403</u>
Less Allowance for Debt and Equity Funds used During Construction	(6,538,975)
Total Cash Paid for Capital Expenditures	<u><u>\$ 156,855,428</u></u>

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Indianapolis Power & Light  
Statement of Income

Company=PL (Indianapolis Power & Light Co. - Consolidated)

**UNAUDITED**  
12 Months Ended  
Feb-03

OPERATING REVENUES:

Electric	840,865,695
Gross Operating Revenues	840,865,695

OPERATING EXPENSES AND TAXES:

Production - Fuel	177,950,980
Production - Other	62,478,949
Power Purchased	18,408,286
Total	258,838,215

Transmission	5,751,721
Distribution - Electric	36,904,506
Customer and Distribution - Steam	0
Customer Accounts	15,434,152
Customer Service and Informational	3,431,764
Administrative and General	54,818,235
Total	375,178,593

Depreciation	118,195,745
Amortization of Regulatory Deferrals	1,142,348
Income Taxes - Net	115,472,809
Taxes Other than Income Taxes	30,539,516
Disposition of Allowances - Net	(9,269,586)
Total Operating Expenses and Taxes	631,259,425

OPERATING INCOME	209,606,270
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OTHER INCOME AND DEDUCTIONS:

Allowance for Other Funds During Construction	3,862,675
Carrying Charges on Regulatory Assets	5,005
Miscellaneous Income and Deductions - Net	4,704,721
Income Taxes - Net	(1,184,568)
Total Other Income and Deductions	7,387,833

TOTAL INCOME	216,994,103
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INTEREST CHARGES:

Interest on Long-Term Debt	40,334,280
Allowance for Borrowed Funds Used During Const	(1,776,244)
Deferred Return on Regulatory Assets-Borrowed	(12,176)
Other Interest Charges	470,308
Amortization - Debt Discount & Expense	1,851,660
Total Interest and Other Charges-Net	40,867,828

INCOME BEFORE EXTRAORDINARY ITEMS  
AND CUMULATIVE ACCOUNTING CHANGE  
Less Preferred Stock Transactions

	176,126,275
	3,213,312

INCOME APPLICABLE TO COMMON STOCK

	172,912,963
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Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power & Light Co. - Consolidated)

**UNAUDITED**

As of  
Feb-03

ASSETS:

PROPERTY, PLANT AND EQUIPMENT

Utility Plant, at Original Cost	3,250,350,528
Less: Accum. Prov. for Deprec. & Amort.	<u>1,556,724,870</u>
Total Utility Plant - Net	<u>1,693,625,658</u>

OTHER PROPERTY, INVESTMENTS  
AND OTHER ASSETS:

Nonutility Property	1,536,589
Less Accumulated Provision for Depreciation	<u>152,945</u>
Total Nonutility Property - Net	<u>1,383,644</u>
Other Investments	<u>3,596,769</u>
Total	<u>4,980,413</u>

CURRENT ASSETS:

Cash	4,893,147
Working Funds	87,888
Temporary Cash Investments	45,512,588
Accounts Receivable - Associated Companies	79,573
Accounts Receivable:	
Customers	44,427,583
Miscellaneous	10,248,601
Less: Reserve for Uncollectible Accounts	(1,716,135)
Interest Receivable	30,700
Fuel	19,822,661
Materials and Supplies - Net	48,659,999
Other Current Assets	2,664,913
Tax Refund Receivable	<u>39,794</u>
Total Current Assets	<u>174,751,312</u>

DEFERRED DEBITS:

Unamortized Petersburg Unit 4 Carrying Charges	15,821,671
Unamort. Def. Return-Pete Unit 4 Carrying Chgs.	8,958,389
Unamort. Reacquisition Premium on Debt	17,919,591
Other Regulatory Assets	97,853,703
Miscellaneous	16,024,880
Unamortized Debt Expense	<u>5,002,625</u>
Total Deferred Debits	<u>161,580,859</u>

TOTAL ASSETS

2,034,938,242

Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power & Light Co. - Consolidated)	<b>UNAUDITED</b>
	As of Feb-03
<b>LIABILITIES</b>	
<b>CAPITALIZATION:</b>	
Common Shareholder's Equity:	
Common Stock	324,536,675
Premium and Net Gain on Preferred Stock	2,642,134
Retained Earnings	401,726,996
Accumulated Other Comprehensive Income	(52,303,584)
Total	<u>676,602,221</u>
Non-Redeemable Cumulative Preferred Stock	<u>59,135,300</u>
Long-Term Debt	542,650,000
Unamort. Premium on LT Debt - Net	(629,656)
Total Long-Term Debt	<u>542,020,344</u>
Total Capitalization	<u>1,277,757,865</u>
<b>CURRENT LIABILITIES:</b>	
Accounts Payable	50,647,775
Dividends Payable	796,870
Customer Deposits	9,240,238
Interest on Long-Term Debt	6,816,286
Interest on Customer Deposits, etc.	1,723,689
Federal Taxes on Income	22,834,455
State Taxes on Income	(50,656)
Real Estate and Personal Property	19,970,471
Miscellaneous	7,838,530
Def. Fed. & St. Tax on Fuel Costs-Due w/i 1 Yr.	811,196
Deferred Fuel Expense	(1,348,541)
Accounts Payable - Associated Companies	420,522
Miscellaneous	110,375
Total	<u>119,811,210</u>
Current Maturity of Long Term Debt	<u>80,000,000</u>
Total Current Liabilities	<u>199,811,210</u>
<b>DEFERRED CREDITS:</b>	
FAS109 Net Deferred Income Tax-Credit	96,761,231
Accumulated Deferred Income Tax-Net	246,907,205
Unamortized Investment Tax Credit	30,468,014
Accrued Postretirement Benefits	6,206,073
Accrued Pension Benefits	168,912,078
Miscellaneous	8,114,566
Total Deferred Credits	<u>557,369,167</u>
<b>TOTAL LIABILITIES</b>	<u><u>2,034,938,242</u></u>

**INDIANAPOLIS POWER & LIGHT COMPANY**  
**Statement of Capitalization**  
**As of February 28, 2003**  
**(In Thousands)**

	Unaudited Feb-03	Pro Forma Effect of Apr-03 Dividend Transactions	Pro Forma Effect of Jul-03 Dividend Transactions
Common Stock	\$324,537	\$324,537	\$324,537
Premium and net gain on Preferred Stock	2,642	2,642	2,642
Retained Earnings			
Beginning Balance	368,950	401,727	360,924
Add: Current Year Net Income	33,580		
Less: Current Year Preferred Dividends	(803)	(803)	(803)
Less: Current Year Common Dividends	0	(40,000)	
Ending Balance	401,727	360,924	360,121
Accumulated Other Comprehensive Income	(52,304)	(52,304)	(52,304)
<b>Total Common Shareholder's Equity</b>	<b>676,602</b>	<b>635,799</b>	<b>634,996</b>
<b>Cumulative Preferred Stock</b>	<b>59,135</b>	<b>59,135</b>	<b>59,135</b>
<b>Long-term Debt</b> (Less current maturities and sinking fund requirements)	<b>542,020</b>	<b>542,020</b>	<b>542,020</b>
<b>Total Capitalization</b>	<b>\$1,277,757</b>	<b>\$1,236,954</b>	<b>\$1,236,151</b>
 <b>Long-term Debt Capitalization Ratio</b>	 <b>42.42%</b>	 <b>43.82%</b>	 <b>43.85%</b>

Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power & Light Co. - Consolidated)

**UNAUDITED**

As of

Mar-03

**ASSETS:**

**PROPERTY, PLANT AND EQUIPMENT**

Utility Plant, at Original Cost

\$ 3,253,956,084

Less: Accum. Prov. for Deprec. & Amort.

1,566,355,735

Total Utility Plant - Net

1,687,600,349

**OTHER PROPERTY, INVESTMENTS**

**AND OTHER ASSETS:**

Nonutility Property

1,536,613

Less Accumulated Provision for Depreciation

155,717

Total Nonutility Property - Net

1,380,896

Other Investments

3,585,724

Total

4,966,620

**CURRENT ASSETS:**

Cash

4,349,890

Working Funds

94,088

Temporary Cash Investments

55,322,588

Accounts Receivable - Associated Companies

187,006

Accounts Receivable:

Customers

35,193,582

Miscellaneous

4,384,209

Less: Reserve for Uncollectible Accounts

(1,944,702)

Interest Receivable

24,950

Fuel

22,984,487

Materials and Supplies - Net

47,027,608

Other Current Assets

1,789,614

Tax Refund Receivable

39,794

Total Current Assets

169,453,114

**DEFERRED DEBITS:**

Unamortized Petersburg Unit 4 Carrying Charges

15,765,342

Unamort. Def Return-Pete Unit 4 Carrying Chgs.

8,926,846

Unamort. Reacquisition Premium on Debt

17,793,580

Other Regulatory Assets

98,739,153

Miscellaneous

15,878,174

Unamortized Debt Expense

4,973,692

Total Deferred Debits

162,076,787

**TOTAL ASSETS**

\$ 2,024,096,870

Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power & Light Co. - Consolidated)	<b>UNAUDITED</b> As of Mar-03
<b>LIABILITIES</b>	
<b>CAPITALIZATION:</b>	
Common Shareholder's Equity:	
Common Stock	\$ 324,536,675
Premium and Net Gain on Preferred Stock	2,642,134
Retained Earnings	410,671,264
Accumulated Other Comprehensive Income	(52,176,317)
Total	<u>685,673,756</u>
Non-Redeemable Cumulative Preferred Stock	<u>59,135,300</u>
Long-Term Debt	542,650,000
Unamort. Premium on LT Debt - Net	(622,821)
Total Long-Term Debt	<u>542,027,179</u>
Total Capitalization	<u>1,286,836,235</u>
<b>CURRENT LIABILITIES:</b>	
Accounts Payable	44,829,980
Dividends Payable	796,870
Customer Deposits	9,322,482
Interest on Long-Term Debt	10,003,808
Interest on Customer Deposits, etc.	1,733,259
Federal Taxes on Income	3,908,879
State Taxes on Income	1,439,783
Real Estate and Personal Property	21,403,804
Miscellaneous	8,543,808
Def. Fed. & St. Tax on Fuel Costs-Due w/i 1 Yr.	2,024,893
Accounts Payable - Associated Companies	315,144
Miscellaneous	92,302
Total	<u>104,415,012</u>
Current Maturity of Long Term Debt	<u>80,000,000</u>
Total Current Liabilities	<u>184,415,012</u>
<b>DEFERRED CREDITS:</b>	
FAS109 Net Deferred Income Tax-Credit	93,151,865
Accumulated Deferred Income Tax-Net	245,343,873
Unamortized Investment Tax Credit	30,238,556
Accrued Postretirement Benefits	6,225,813
Accrued Pension Benefits	169,987,626
Miscellaneous	7,897,890
Total Deferred Credits	<u>552,845,623</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 2,024,096,870</u></u>

Indianapolis Power & Light  
Statement of Income

Company=PL (Indianapolis Power &amp; Light Co. - Consolidated)

**UNAUDITED**12 Months Ended  
Mar-03

## OPERATING REVENUES:

Electric

\$ 837,789,587

Gross Operating Revenues

837,789,587

## OPERATING EXPENSES AND TAXES:

Production - Fuel

174,106,555

Production - Other

66,672,455

Power Purchased

22,244,976

Total

263,023,986

Transmission

5,698,708

Distribution - Electric

37,140,791

Customer Accounts

15,614,696

Customer Service and Informational

3,511,657

Administrative and General

56,445,876

Total

381,435,714

Depreciation

118,750,922

Amortization of Regulatory Deferrals

1,054,476

Income Taxes - Net

110,788,407

Taxes Other than Income Taxes

30,305,992

Disposition of Allowances - Net

(6,018,607)

Total Operating Expenses and Taxes

636,316,904

## OPERATING INCOME

201,472,683

## OTHER INCOME AND DEDUCTIONS:

Allowance for Other Funds During Construction

3,074,356

Carrying Charges on Regulatory Assets

3,736

Miscellaneous Income and Deductions - Net

2,468,310

Income Taxes - Net

(628,837)

Total Other Income and Deductions

4,917,565

## TOTAL INCOME

206,390,248

## INTEREST CHARGES:

Interest on Long-Term Debt

40,334,280

Allowance for Borrowed Funds Used During Const

(1,412,362)

Deferred Return on Regulatory Assets-Borrowed

(9,089)

Other Interest Charges

471,039

Amortization - Debt Discount &amp; Expense

1,830,231

Total Interest and Other Charges-Net

41,214,099INCOME BEFORE EXTRAORDINARY ITEMS  
AND CUMULATIVE ACCOUNTING CHANGE

165,176,149

Less Preferred Stock Transactions

3,213,312

## INCOME APPLICABLE TO COMMON STOCK

\$ 161,962,837

**INDIANAPOLIS POWER & LIGHT COMPANY**  
**Statement of Capitalization**  
**As of March 31, 2003**  
**(In Thousands)**

	Unaudited Mar-03	Pro Forma Effect of previously approved Apr-03 Dividend Transaction	Pro Forma Effect of May-03 Dividend Transaction
Common Stock	\$324,537	\$324,537	\$324,537
Premium and net gain on Preferred Stock	2,642	2,642	2,642
Retained Earnings			
Beginning Balance	368,950	410,671	376,332
Add: Current Year Net Income applicable to common stock	41,721	5,661 (*)	8,420 (*)
Less: Current Year Common Dividends	0	(40,000)	(30,000)
Ending Balance	410,671	376,332	354,753
Accumulated Other Comprehensive Income	(52,176)	(52,176)	(52,176)
<b>Total Common Shareholder's Equity</b>	<b>685,674</b>	<b>651,335</b>	<b>629,755</b>
<b>Cumulative Preferred Stock</b>	<b>59,135</b>	<b>59,135</b>	<b>59,135</b>
<b>Long-term Debt</b> (Less current maturities and sinking fund requirements)	542,027	542,027	542,027
<b>Total Capitalization</b>	<b>\$1,286,836</b>	<b>\$1,252,497</b>	<b>\$1,230,917</b>
<b>Long-term Debt Capitalization Ratio</b>	<b>42.12%</b>	<b>43.28%</b>	<b>44.03%</b>

(\*) - Assumes forecasted Net Income for the respective month

## Confidential Exhibit A

At a May 1, 2003 meeting with the Presiding Officers, various Commission professional staff members and the Office of Utility Consumer Counselor ("OUCC"), the Commission and Indianapolis Power & Light Company ("IPL") agreed that IPL would file with the Commission information concerning: (1) IPL's proposed dividend distributions through December 31, 2003; (2) IPL's projected operating results through December 31, 2003; (3) an explanation for fluctuations in IPL's operating results; and (4) IPL's pro forma capitalization ratios. The following information is being provided in response to the Commission's request.<sup>1</sup>

### **Projected IPL Common Dividend Distributions**

The three year period, consisting of actual 2001 and 2002 payments and projected payments for 2003, is summarized below:

(\$, millions)	2001 Actual	2002 Actual	2003 Projected
Common Dividends	136.0	157.4	162

IPL's common dividend varies from quarter to quarter and from year to year depending on actual operating results, overall business needs and prudent and optimal cash management. For example, the cash available for common dividends is projected to be reduced significantly in 2004 due to increased equity investments in capital expenditures associated with the NOx compliance construction program.

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<sup>1</sup> With reference to the information here, numerous important factors could cause IPL's actual results to differ materially from those discussed including, but not limited to, general economic conditions, fluctuations in customer growth and demand and weather conditions. Furthermore, there can be no assurance that either the historical data or the projections are reasonably representative of IPL's future operations. Limited discussion of some factors making such data unrepresentative is provided for illustrative purposes and is not the result of a comprehensive or detailed study of or quantification of such factors.



IPL was also asked to provide projected jurisdictional net operating income results. The three year period, consisting of actual 2001 and 2002 results and projected results for 2003, is summarized below:

(\$, millions)	2001 Actual	2002 Actual	2003 Projected
Jurisdictional Net Operating Income	102.2	177.6	130 – 140

### **Fluctuations in Operating Results**

As indicated in the above table, IPL's jurisdictional net operating income has varied considerably over the last two year period. It is projected to vary less in 2003 and 2004.

The calendar year 2001 results included significant one-time charges associated with IPL's early retirement programs. Similarly, other factors make 2002 results unrepresentative of future results. It should be noted that IPL does not maintain, in the normal course of business, a comprehensive and detailed analysis of or quantification of such factors. Both the limited number of factors identified and their quantification are general and illustrative rather than predictive. IPL suggests that consideration of the following factors which enhanced profitability over the past several months represents a good faith response to the questions presented in last week's meeting.

Some factors which affect recent operating results include:

- Weather Effects

Both heating degree days and cooling degree days were higher than normal during the 12 months ended March 31, 2003. IPL currently roughly estimates the positive effect on revenues of abnormal weather at approximately twenty million dollars.

- Power Plant Outage Schedules and Availability

During calendar year 2002, IPL deferred outages where appropriate to more optimally coordinate them with the anticipated outages during 2003 and 2004 associated with its NOx compliance construction program. While precise quantification would require extensive study, IPL can say with confidence that there will be an identifiable and not insignificant increase in cost from 2002 into the next 24 to 48 month period.

Furthermore, IPL's relatively low cost baseload generation units operated well during calendar year 2002. The relatively low incremental operating costs associated with high availabilities enhanced profitability.

- Labor Costs

Staffing levels were in transition during 2001 and 2002 and represented a low point in staffing levels versus historical trends. IPL currently is in the midst of a hiring process.

Additionally, IPL recently entered into a new labor agreement with the International Brotherhood of Electrical Workers physical unit (representing about 56% of its fulltime workforce), effective December, 2002. The contract contains a 3% increase in wages each year over the 3 year period.

IPL also faces the industry-wide issues of rapidly increasing employee pension and health-care costs.

### **Pro-forma Long-term Debt Capitalization**

Last, IPL was requested to provide IPL's pro forma capitalization ratios. The projected capitalization is summarized below:

	<i>Projected December 31, 2003 (\$-millions)</i>
Retained Earnings	343
Common Shareholder's Equity	617
Cumulative Preferred Stock	59
Long Term Debt	652
Total Financial Capitalization	1328
Debt Capitalization Ratio	49%

The projected debt capitalization ratio will be a function of operating results, the timing of dividend distributions and the amount of new long term debt raised in 2003. In the scenario summarized above, IPL has assumed the ranges of operating income and dividends described above and \$110 million of new long term debt proceeds.

Actual results may vary and the optimal level of debt will depend on market circumstances prevailing at the time of issue. Therefore, IPL's overall financial management planning considers prudent operations, debt capitalization, additional financial ratios, liquidity and overall business needs consistent with investment grade benchmarks used by the rating agencies on a stand-alone basis.

IPL looks forward to meeting with the Commission on Monday, May 12, 2003 and will be prepared to answer Commission questions at that meeting. Thank you for providing us with this opportunity.

Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power &amp; Light Co. - Consolidated)

**UNAUDITED**As of  
April, 2003**ASSETS:****PROPERTY, PLANT AND EQUIPMENT**

Utility Plant, at Original Cost

\$ 3,264,531,738

Less: Accum. Prov. for Deprec. &amp; Amort.

1,576,155,573

Total Utility Plant - Net

1,688,376,165**OTHER PROPERTY, INVESTMENTS****AND OTHER ASSETS:**

Nonutility Property

1,536,613

Less Accumulated Provision for Depreciation

158,489

Total Nonutility Property - Net

1,378,124

Other Investments

3,537,368

Total

4,915,492**CURRENT ASSETS:**

Cash

5,013,716

Working Funds

102,113

Temporary Cash Investments

24,119,678

Accounts Receivable - Associated Companies

204,688

Accounts Receivable:

Customers

29,716,371

Miscellaneous

6,356,126

Less: Reserve for Uncollectible Accounts

(1,934,715)

Interest Receivable

(26,434)

Fuel

26,618,834

Materials and Supplies - Net

46,978,446

Other Current Assets

3,133,852

Tax Refund Receivable

39,794

Total Current Assets

140,322,469**DEFERRED DEBITS:**

Unamortized Petersburg Unit 4 Carrying Charges

15,709,013

Unamort. Def. Return-Pete Unit 4 Carrying Chgs.

8,895,302

Unamort. Reacquisition Premium on Debt

17,667,568

Other Regulatory Assets

94,866,146

Miscellaneous

15,704,190

Unamortized Debt Expense

4,944,759

Total Deferred Debits

157,786,978**TOTAL ASSETS**\$ 1,991,401,104

Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power &amp; Light Co. - Consolidated)

**UNAUDITED**As of  
April, 2003

## LIABILITIES

## CAPITALIZATION:

## Common Shareholder's Equity:

Common Stock	\$ 324,536,675
Premium and Net Gain on Preferred Stock	2,642,134
Retained Earnings	379,624,041
Accumulated Other Comprehensive Income	(52,421,994)
Total	<u>654,380,856</u>

Non-Redeemable Cumulative Preferred Stock

59,135,300

Long-Term Debt	542,650,000
Unamort. Premium on LT Debt - Net	(615,987)
Total Long-Term Debt	<u>542,034,013</u>
Total Capitalization	<u>1,255,550,169</u>

## CURRENT LIABILITIES:

Accounts Payable	46,347,936
Dividends Payable	796,870
Customer Deposits	9,382,666
Interest on Long-Term Debt	10,025,909
Interest on Customer Deposits, etc.	1,742,188
Federal Taxes on Income	11,009,118
State Taxes on Income	(1,159,351)
Real Estate and Personal Property	22,837,137
Miscellaneous	4,794,584
Def. Fed. & St. Tax on Fuel Costs-Due w/i 1 Yr.	2,191,345
Deferred Fuel Expense	(4,754,215)
Accounts Payable - Associated Companies	315,143
Miscellaneous	123,069
Total	<u>103,652,399</u>
Current Maturity of Long Term Debt	<u>80,000,000</u>
Total Current Liabilities	<u>183,652,399</u>

## DEFERRED CREDITS:

FAS109 Net Deferred Income Tax-Credit	93,151,865
Accumulated Deferred Income Tax-Net	243,498,462
Unamortized Investment Tax Credit	30,009,098
Accrued Postretirement Benefits	6,167,235
Accrued Pension Benefits	171,063,174
Miscellaneous	8,308,702
Total Deferred Credits	<u>552,198,536</u>

## TOTAL LIABILITIES

\$ 1,991,401,104

Indianapolis Power & Light  
Statement of Income

Company=PL (Indianapolis Power &amp; Light Co. - Consolidated)

UNAUDITED  
12 Months Ended  
April-03

## OPERATING REVENUES:

Electric	\$ 840,895,856
Gross Operating Revenues	<u>840,895,856</u>

## OPERATING EXPENSES AND TAXES:

Production - Fuel	173,935,911
Production - Other	64,099,411
Power Purchased	<u>22,662,760</u>

Total	260,698,082
Transmission	5,562,805
Distribution - Electric	38,072,070
Customer Accounts	15,759,860
Customer Service and Informational	3,611,561
Administrative and General	<u>58,038,545</u>

Total	381,742,923
Depreciation	119,465,808
Amortization of Regulatory Deferrals	1,054,476
Income Taxes - Net	112,347,269
Taxes Other than Income Taxes	30,015,290
Disposition of Allowances - Net	<u>(5,777,357)</u>
Total Operating Expenses and Taxes	<u>638,848,409</u>

OPERATING INCOME	<u>202,047,447</u>
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## OTHER INCOME AND DEDUCTIONS:

Allowance for Other Funds During Construction	2,640,078
Carrying Charges on Regulatory Assets	3,890
Miscellaneous Income and Deductions - Net	961,378
Income Taxes - Net	<u>145,841</u>
Total Other Income and Deductions	<u>3,751,187</u>

TOTAL INCOME	<u>205,798,634</u>
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## INTEREST CHARGES:

Interest on Long-Term Debt	40,334,280
Allowance for Borrowed Funds Used During Const	(1,210,885)
Deferred Return on Regulatory Assets-Borrowed	(9,463)
Other Interest Charges	578,623
Amortization - Debt Discount & Expense	<u>1,808,803</u>
Total Interest and Other Charges-Net	<u>41,501,358</u>

INCOME BEFORE EXTRAORDINARY ITEMS  
AND CUMULATIVE ACCOUNTING CHANGE  
Less Preferred Stock Transactions164,297,276  
3,213,312

INCOME APPLICABLE TO COMMON STOCK

\$ 161,083,964

6-6-03

Confidential Exhibit B

**INDIANAPOLIS POWER & LIGHT COMPANY****Statement of Capitalization****As of April 30, 2003****(In Thousands)**

	<b>Unaudited Apr-03</b>	<b>Pro Forma Effect of May-03 Dividend (Previously Approved)</b>	<b>Pro Forma Effect of Jun-03 Dividend Transaction</b>
Common Stock	\$324,537	\$324,537	\$324,537
Premium and net gain on Preferred Stock	2,642	2,642	2,642
Retained Earnings			
Beginning Balance	368,950	379,624	349,624
Add: Current Year Net Income before Preferred Dividends	52,280	0	0
Less: Preferred Dividends Declared	(1,606)	0	0
Less: Current Year Common Dividends	(40,000)	(30,000)	(24,600)
Ending Balance	379,624	349,624	325,024
Accumulated Other Comprehensive Income	(52,422)	(52,422)	(52,422)
<b>Total Common Shareholder's Equity</b>	<b>654,381</b>	<b>624,381</b>	<b>599,781</b>
<b>Cumulative Preferred Stock</b>	<b>59,135</b>	<b>59,135</b>	<b>59,135</b>
<b>Long-term Debt</b> (Less current maturities and sinking fund requirements)	<b>542,034</b>	<b>542,034</b>	<b>542,034</b>
<b>Total Capitalization</b>	<b>\$1,255,550</b>	<b>\$1,225,550</b>	<b>\$1,200,950</b>
 <b>Long-term Debt Capitalization Ratio</b>	 <b>43.17%</b>	 <b>44.23%</b>	 <b>45.13%</b>

Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power &amp; Light Co. - Consolidated)

**UNAUDITED**As of  
July 31, 2003

## ASSETS:

## PROPERTY, PLANT AND EQUIPMENT

Utility Plant, at Original Cost	\$ 3,303,619,950
Less: Accum. Prov. for Deprec. & Amort.	1,605,744,484
Total Utility Plant - Net	<u>1,697,875,466</u>

## OTHER PROPERTY, INVESTMENTS

## AND OTHER ASSETS:

Nonutility Property	1,536,613
Less Accumulated Provision for Depreciation	<u>166,805</u>
Total Nonutility Property - Net	<u>1,369,808</u>
Other Investments	<u>3,639,311</u>
Total	<u>5,009,119</u>

## CURRENT ASSETS:

Cash	3,704,174
Working Funds	99,612
Temporary Cash Investments	5,900,588
Accounts Receivable - Associated Companies	216,098
Accounts Receivable:	
Customers	39,379,756
Miscellaneous	6,754,615
Less: Reserve for Uncollectible Accounts	(1,860,860)
Interest Receivable	(47,559)
Fuel	29,443,615
Materials and Supplies - Net	46,042,869
Other Current Assets	2,179,121
Tax Refund Receivable	39,794
Total Current Assets	<u>131,851,823</u>

## DEFERRED DEBITS:

Unamortized Petersburg Unit 4 Carrying Charges	15,603,114
Unamort. Def. Return-Pete Unit 4 Carrying Chgs.	8,737,584
Unamort. Reacquisition Premium on Debt	17,289,535
Other Regulatory Assets	117,478,013
Miscellaneous	15,454,137
Unamortized Debt Expense	<u>4,862,371</u>
Total Deferred Debits	<u>179,424,754</u>

## TOTAL ASSETS

\$ 2,014,161,162



Indianapolis Power & Light  
Balance Sheet

Company=PL (Indianapolis Power & Light Co. - Consolidated)

**UNAUDITED**

As of  
July 31, 2003

**LIABILITIES**

**CAPITALIZATION:**

Common Shareholder's Equity:

Common Stock	\$ 324,536,675
Premium and Net Gain on Preferred Stock	2,642,134
Retained Earnings	370,575,558
Accumulated Other Comprehensive Income	(51,307,269)
Total	<u>646,447,098</u>

Non-Redeemable Cumulative Preferred Stock	<u>59,135,300</u>
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Long-Term Debt	542,650,000
Unamort. Premium on LT Debt - Net	(595,483)
Total Long-Term Debt	<u>542,054,517</u>
Total Capitalization	<u>1,247,636,915</u>

**CURRENT LIABILITIES:**

Notes Payable	25,900,000
Accounts Payable	45,262,167
Dividends Payable	804,801
Customer Deposits	9,934,516
Interest on Long-Term Debt	14,867,053
Interest on Customer Deposits, etc.	1,858,350
Federal Taxes on Income	14,753,892
State Taxes on Income	(3,364,813)
Real Estate and Personal Property	18,669,033
Miscellaneous	4,922,607
Def. Fed. & St. Tax on Fuel Costs-Due w/i 1 Yr.	812,262
Deferred Fuel Expense	(3,789,706)
Accounts Payable - Associated Companies	315,143
Miscellaneous	217,295
Total	<u>131,162,600</u>
Current Maturity of Long Term Debt	<u>80,000,000</u>
Total Current Liabilities	<u>211,162,600</u>

**DEFERRED CREDITS:**

FAS109 Net Deferred Income Tax-Credit	115,219,335
Accumulated Deferred Income Tax-Net	249,055,607
Unamortized Investment Tax Credit	29,320,724
Accrued Postretirement Benefits	5,940,105
Accrued Pension Benefits	149,289,818
Miscellaneous	6,536,058
Total Deferred Credits	<u>555,361,647</u>

TOTAL LIABILITIES	<u>\$ 2,014,161,162</u>
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Indianapolis Power & Light  
Statement of Income

Company=PL (Indianapolis Power & Light Co. - Consolidated)

**UNAUDITED**

12 Months Ended  
July 31, 2003

**OPERATING REVENUES:**

Electric	\$ 826,796,665
Gross Operating Revenues	<u>826,796,665</u>

**OPERATING EXPENSES AND TAXES:**

Production - Fuel	177,027,066
Production - Other	70,531,006
Power Purchased	<u>17,377,617</u>

Total	264,935,689
Transmission	5,555,863
Distribution - Electric	39,494,927
Customer Accounts	16,083,228
Customer Service and Informational	3,449,995
Administrative and General	<u>61,864,506</u>

Total	391,384,208
Depreciation	121,220,187
Amortization of Regulatory Deferrals	1,054,476
Income Taxes - Net	103,972,654
Taxes Other than Income Taxes	29,560,060
Disposition of Allowances - Net	<u>(6,059,034)</u>
Total Operating Expenses and Taxes	<u>641,132,551</u>

<b>OPERATING INCOME</b>	<u>185,664,114</u>
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**OTHER INCOME AND DEDUCTIONS:**

Allowance for Other Funds During Construction	3,282,707
Carrying Charges on Regulatory Assets	4,015
Miscellaneous Income and Deductions - Net	622,073
Income Taxes - Net	117,152
Total Other Income and Deductions	<u>4,025,947</u>

<b>TOTAL INCOME</b>	<u>189,690,061</u>
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**INTEREST CHARGES:**

Interest on Long-Term Debt	40,334,280
Allowance for Borrowed Funds Used During Const	(1,528,044)
Deferred Return on Regulatory Assets-Borrowed	(9,764)
Other Interest Charges	555,642
Amortization - Debt Discount & Expense	1,743,768
Total Interest and Other Charges-Net	<u>41,095,882</u>

<b>INCOME BEFORE EXTRAORDINARY ITEMS AND CUMULATIVE ACCOUNTING CHANGE</b>	148,594,179
Less Preferred Stock Transactions	<u>3,213,312</u>

<b>INCOME APPLICABLE TO COMMON STOCK</b>	<u>\$ 145,380,867</u>
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**INDIANAPOLIS POWER & LIGHT COMPANY**  
**Statement of Capitalization**  
**As of July 31, 2003**  
**(In Thousands)**

	Unaudited Jul-03	Pro Forma Effect of Aug-03 Debt Issue (Previously Approved)	Pro Forma Effect of Sept-03 Dividend Transaction	Pro Forma Effect of Nov-03 Dividend Transaction
Common Stock	\$324,537	\$324,537	\$324,537	\$324,537
Premium and net gain on Preferred Stock	2,642	2,642	2,642	2,642
Retained Earnings				
Beginning Balance	368,950	370,576	370,576	341,376
Add: Current Year Net Income before Preferred Dividends	84,635	0	0	0
Less: Preferred Dividends Declared	0	0	0	0
Less: Current Year Common Dividends	0	0	0	0
Ending Balance	370,576	370,576 *	341,376 *	309,501 *
Accumulated Other Comprehensive Income	0	0	0	0
<b>Total Common Shareholder's Equity</b>	<b>646,448</b>	<b>646,448</b>	<b>617,248</b>	<b>585,373</b>
<b>Cumulative Preferred Stock</b>	<b>59,135</b>	<b>59,135</b>	<b>59,135</b>	<b>59,135</b>
<b>Long-term Debt</b> (Less current maturities and sinking fund requirements)	<b>542,054</b>	<b>652,054</b>	<b>652,054</b>	<b>652,054</b>
<b>Total Capitalization</b>	<b>\$1,247,637</b>	<b>\$1,357,637</b>	<b>\$1,328,437</b>	<b>\$1,296,562</b>
 <b>Long-term Debt Capitalization Ratio</b>	 <b>43.45%</b>	 <b>48.03%</b>	 <b>49.08%</b>	 <b>50.29%</b>

\* - The pro-forma Ending Retained Earnings for each such period does not reflect income earned during that period or previous pro-forma periods, and therefore underestimates the cumulative projected level of Ending Retained Earnings.

Indianapolis Power & Light  
Statement of Income  
Company=PL (Indianapolis Power & Light Co. - Consolidated)

	Unaudited 12 Months Ended October 31, 2003
OPERATING REVENUES:	
Electric	\$ 823,695,520
Gross Operating Revenues	<u>823,695,520</u>
OPERATING EXPENSES AND TAXES:	
Production - Fuel	179,505,020
Production - Other	75,886,822
Power Purchased	<u>16,949,321</u>
Total	272,341,163
Transmission	5,589,648
Distribution - Electric	40,429,196
Customer Accounts	16,626,947
Customer Service and Informational	3,724,228
Administrative and General	<u>63,030,854</u>
Total	401,742,036
Depreciation	122,011,890
Amortization of Regulatory Deferrals	1,054,476
Income Taxes - Net	103,773,813
Taxes Other than Income Taxes	27,458,111
Disposition of Allowances - Net	<u>(6,054,285)</u>
Total Operating Expenses and Taxes	649,986,041
OPERATING INCOME	<u>173,709,479</u>
OTHER INCOME AND DEDUCTIONS:	
Allowance for Other Funds During Construction	4,358,683
Carrying Charges on Regulatory Assets	4,695
Miscellaneous Income and Deductions - Net	942,848
Income Taxes - Net	<u>25,605</u>
Total Other Income and Deductions	5,331,831
TOTAL INCOME	<u>179,041,310</u>
INTEREST CHARGES:	
Interest on Long-Term Debt	41,970,530
Allowance for Borrowed Funds Used During Const	(2,075,420)
Deferred Return on Regulatory Assets-Borrowed	(11,418)
Other Interest Charges	575,968
Amortization - Debt Discount & Expense	<u>1,704,125</u>
Total Interest and Other Charges-Net	42,163,785
INCOME BEFORE EXTRAORDINARY ITEMS AND CUMULATIVE ACCOUNTING CHANGE	136,877,525
Less Preferred Stock Transactions	<u>3,213,312</u>
INCOME APPLICABLE TO COMMON STOCK	<u>\$ 133,664,213</u>

Indianapolis Power & Light  
Balance Sheet  
Company=PL (Indianapolis Power & Light Co. - Consolidated)

**Unaudited**  
As of  
October 31, 2003

**ASSETS:**

**PROPERTY, PLANT AND EQUIPMENT**

Utility Plant, at Original Cost	\$ 3,341,566,043
Less: Accum. Prov. for Deprec. & Amort.	1,624,882,716
Total Utility Plant - Net	<u>1,716,683,327</u>

**OTHER PROPERTY, INVESTMENTS AND OTHER ASSETS:**

Nonutility Property	1,536,613
Less Accumulated Provision for Depreciation	<u>175,121</u>
Total Nonutility Property - Net	1,361,492
Other Investments	<u>3,554,073</u>
Total	<u>4,915,565</u>

**CURRENT ASSETS:**

Cash	2,194,578
Working Funds	101,713
Temporary Cash Investments	73,594,685
Accounts Receivable - Associated Companies	895,999
Accounts Receivable:	
Customers	29,041,326
Miscellaneous	6,568,166
Less: Reserve for Uncollectible Accounts	(1,775,510)
Interest Receivable	84,171
Fuel	29,393,317
Materials and Supplies - Net	46,409,023
Other Current Assets	3,127,306
Tax Refund Receivable	39,794
Total Current Assets	<u>189,674,568</u>

**DEFERRED DEBITS:**

Unamortized Petersburg Unit 4 Carrying Charges	15,434,127
Unamort. Def. Return-Pete Unit 4 Carrying Chgs.	8,642,953
Unamort. Reacquisition Premium on Debt	16,905,169
Other Regulatory Assets	124,234,607
Miscellaneous	15,674,806
Unamortized Debt Expense	5,682,611
Total Deferred Debits	<u>186,574,273</u>

**TOTAL ASSETS**

\$ 2,097,847,733

Indianapolis Power & Light  
Balance Sheet  
Company=PL (Indianapolis Power & Light Co. - Consolidated)

**Unaudited**  
As of  
October 31, 2003

**LIABILITIES**

**CAPITALIZATION:**

Common Shareholder's Equity:

Common Stock

\$ 324,536,675

Premium and Net Gain on Preferred Stock

2,642,134

Retained Earnings

372,713,235

Accumulated Other Comprehensive Income

(51,322,954)

Total

648,569,090

Non-Redeemable Cumulative Preferred Stock

59,135,300

Long-Term Debt

652,650,000

Unamort. Premium on LT Debt - Net

(653,813)

Total Long-Term Debt

651,996,187

Total Capitalization

1,359,700,577

**CURRENT LIABILITIES:**

Accounts Payable

56,496,334

Dividends Payable

804,801

Customer Deposits

10,201,314

Interest on Long-Term Debt

11,662,159

Interest on Customer Deposits, etc.

1,785,935

Federal Taxes on Income

19,714,076

State Taxes on Income

(1,037,055)

Real Estate and Personal Property

20,080,975

Miscellaneous

4,678,299

Def. Fed. & St. Tax on Fuel Costs-Due w/i 1 Yr.

812,262

Deferred Fuel Expense

(1,024,310)

Accounts Payable - Associated Companies

345,514

Miscellaneous

145,496

Total

124,665,800

Current Maturity of Long Term Debt

80,000,000

Total Current Liabilities

204,665,800

**DEFERRED CREDITS:**

FAS109 Net Deferred Income Tax-Credit

120,467,993

Accumulated Deferred Income Tax-Net

270,367,629

Unamortized Investment Tax Credit

28,632,351

Accrued Postretirement Benefits

5,940,018

Accrued Pension Benefits

101,516,463

Miscellaneous

6,556,902

Total Deferred Credits

533,481,356

**TOTAL LIABILITIES**

\$ 2,097,847,733

**INDIANAPOLIS POWER & LIGHT COMPANY****Statement of Capitalization****As of October 31, 2003****(In Thousands)**

	<b>Unaudited Oct-03</b>	<b>Pro Forma Effect of Nov-03 Dividend (Previously Approved)</b>	<b>Pro Forma Effect of Dec-03 Dividend Transaction</b>
Common Stock	\$324,537	\$324,537	\$324,537
Premium and net gain on Preferred Stock	2,642	2,642	2,642
Retained Earnings			
Beginning Balance	368,950	372,713	340,838
Add: Current Year Net Income before Preferred Dividends	116,776	0	0
Less: Preferred Dividends Declared	(3,213)	0	0
Less: Current Year Common Dividends	(109,800)	(31,875)	(21,300)
Ending Balance	372,713	340,838 *	319,538 *
Accumulated Other Comprehensive Income	(51,323)	(51,323)	(51,323)
<b>Total Common Shareholder's Equity</b>	<b>648,569</b>	<b>616,694</b>	<b>595,394</b>
<b>Cumulative Preferred Stock</b>	<b>59,135</b>	<b>59,135</b>	<b>59,135</b>
<b>Long-term Debt</b> (Less current maturities and sinking fund requirements)	<b>651,996</b>	<b>651,996</b>	<b>651,996</b>
<b>Total Capitalization</b>	<b>\$1,359,700</b>	<b>\$1,327,825</b>	<b>\$1,306,525</b>
 <b>Long-term Debt Capitalization Ratio</b>	 <b>47.95%</b>	 <b>49.10%</b>	 <b>49.90%</b>

\* - The pro-forma Ending Retained Earnings for each such period does not reflect income earned during that period or previous pro-forma periods, and therefore underestimates the actual cumulative projected level of Ending Retained Earnings.